## INTURMATION REPORT TO THE REPORT

## CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Hungary	REP	ORT		
SUBJECT	The Coal Shortage of the Ra		TE DISTR.	27 June 1955	
DATE OF INFO.		REC	QUIREMENT NO.	RD	25X1
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	SOURCE EVALUATIONS ARE DEFINITIVE	. APPRAISAL OF	CONTENT IS TEN	TATIVE.	

- 1. The management of the Hungarian State Railroads has became increasingly aware that the traffic difficulties and the deterioration of the locomotive rolling stock can not continue. On 23 November 1954 a conference was called to analyze the situation and to lock for solutions.
- 2. In his address at the conference the director, Lajos Tölgyes, stated that the annual coal consumption of the railroads is three million tons. The deliveries for the first six months of 1954 were however 32,000 tons short of the necessary 1½ million tons. As this figure represents an anual shortage of 5% of the total requirements no reserves could be accumulated and the railroads carry on their service on a day-by-day basis. To improve the situation the railroads themselves must contrive to save coal. After the transformation of the first 100 locomotives to oil firing, the management proposes the transformation of a further 100 engines to the same system. The Council of Ministers must approve this proposal.
- 3. Experiments with synthetic coal, a mixture of lignite and oil, are continuing after positive results have been obtained at the Budapest depot. It is intended that four further stations will be converted during 1955. It is hoped to save this way 550,000 tons of coaldust and 155,000 tons of coal. It will, however, be necessary to find a way of saving another 100,000 tons of coal so as to create a small reserve.
- 4. On the other hand the railroads will ask the mining industry to supply some coal of at least 4,350 calories. Also at least 50% of the coal should be of the good quality from the Tata and Dorog coalfields. The coal supplied at present never exceeds 4,000 calories. Apart from this request, Telgyes stated, no outside help can be expected by the railways and future plans can only be made on economies effected within the industry. The consumption of energy, according to Telgyes, is distributed as follows:

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